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**FOREIGN SHARE OF THE JAPANESE SEMICONDUCTOR MARKET REACHES  
RECORD HIGH IN FIRST QUARTER 1997**

Foreign share of the Japanese semiconductor market continued its upward trend in the first quarter of 1997, reaching a record 32.6 percent. This surpasses the previous record of 29.6 percent set in the fourth quarter of 1995 and is 3.2 percentage points above the 29.4 percent announced for the fourth quarter of 1996. Increased sales by U.S. companies contributed to the improved foreign share.

"I am pleased by foreign suppliers' continued progress in penetrating the Japanese semiconductor market," said U.S. Trade Representative Charlene Barshefsky. "This is evidence that market forces are at work. We will continue to monitor the situation closely to ensure that the foreign share of the Japanese market remains strong. In addition, I welcome the news that the industries have agreed on a satisfactory program of cooperative activities this Fall, as provided for under the August 2, 1996 semiconductor accords. I look forward to the industries maintaining this momentum in cooperative activities into 1998 and beyond."

**Background**

On August 2, 1996, the United States and Japan reached a new agreement on semiconductors which is designed to ensure continued progress on market access and industry cooperation and to solidify the market-opening gains of recent years. The heart of the new accord is an industry-to-industry agreement coupled with government oversight. On May 6 and 7, consultations were held at the government level and included representatives of the United States, Japan, the European Union, and Korea.

The 1996 accord provides a forum to expand international semiconductor industry cooperation into such areas as standards, intellectual property rights, market opening initiatives, environmental and safety issues and market development. The agreement also provides for industries to collect a broad range of market data, including foreign market share, and to prepare a quarterly report that will be presented to governments. Governments will then review these activities and reports and monitor the situation in Japan and other major markets.

During the five-year period of the 1991 Arrangement second quarter, foreign market share increased from 14.3 percent in the third quarter of 1991 to an average 27.3 percent over the last full year of the agreement (third quarter 1995 through second quarter 1996). Market share for the calendar year 1996 was 27.5 percent, an increase of over two percentage points from the 25.4 percent average recorded in 1995.

# Foreign Market Share

Q3 1991	14.3%
Q4 1991	14.4%
Q1 1992	14.6%
Q2 1992	16.0%
Q3 1992	15.9%
Q4 1992	20.2%
Q1 1993	19.6%
Q2 1993	19.2%
Q3 1993	18.1%
Q4 1993	20.7%
Q1 1994	20.7%
Q2 1994	21.9%
Q3 1994	23.2%
Q4 1994	23.7%
Q1 1995	22.8%
Q2 1995	22.9%
Q3 1995	26.2%
Q4 1995	29.6%
Q1 1996	26.9%
Q2 1996	26.4%
Q3 1996 <sup>1</sup>	27.1%
Q4 1996 <sup>1</sup>	29.4%
Q1 1997 <sup>1</sup>	32.6%

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<sup>1</sup>Calculated by U.S. Government only. Earlier figures calculated by U.S. Government and Government of Japan in accordance with the 1991 U.S.-Japan Semiconductor Arrangement.